

HOUSING AUTHORITY OF RAYNE**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA****TWELVE MONTHS ENDED SEPTEMBER 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/3/10

Mike Estes, P.C.**A Professional Accounting Corporation**

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MIKE ESTES, CPA

Independent Auditor's Report

Board of Commissioners
Housing Authority of Rayne
Rayne, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of Rayne, Louisiana as of and for the year ended September 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of Rayne, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Rayne, Louisiana, as of September 30, 2009, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2010, on our consideration of the Housing Authority of Rayne, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Housing Authority of Rayne, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Rayne, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying Financial Data Schedules required by HUD and other accompanying information identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2010

HOUSING AUTHORITY OF RAYNE, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

September 30, 2009

The management of Public Housing Authority of Rayne, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2009. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$3,990,240 at the close of the fiscal year ended 2009.
 - ✓ Of this amount \$3,310,570 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$679,670 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 69% of the total operating expenses of \$1,305,882 for the fiscal year 2009, which means the Authority might be able to operate about 8 months using the unrestricted assets alone, which compares with 6 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$273,830, a 7% change from the prior fiscal year 2008. This increase is attributable to *significant* increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net was accompanied by an increase in cash and cash equivalents of \$21,329. Rental, other, and federal grants combined exceeded payments to vendors and employees by \$54,207. This was partially offset by the purchase of capital assets, federal capital grants, and insurance proceeds by \$33,930.
- These changes led to an increase in total assets by \$235,527 and a decrease in total liabilities by \$38,303. As related measure of financial health, there are still over \$7.84 of current assets covering each dollar of total current and long-term liabilities, which compares less favorably with \$5.36 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2009?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$3,990,240 as of September 30, 2009. Of this amount, \$3,310,570 was invested in capital assets, and the remaining \$679,670 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

Housing Authority of Rayne, LA
Management's Discussion and Analysis (MD&A)
September 30, 2009

CONDENSED FINANCIAL STATEMENTS

**Condensed Balance Sheet
As of September 30, 2009**

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets	\$ 779,070	\$ 738,515
Capital assets, net of depreciation	<u>3,310,570</u>	<u>3,115,598</u>
Total assets	<u><u>4,089,640</u></u>	<u><u>3,854,113</u></u>
LIABILITIES		
Current liabilities	74,407	113,723
Non-current liabilities	<u>24,993</u>	<u>23,980</u>
Total liabilities	<u><u>99,400</u></u>	<u><u>137,703</u></u>
NET ASSETS		
Invested in capital assets, net of depreciation	3,310,570	3,115,598
Unrestricted net assets	<u>679,670</u>	<u>600,812</u>
Total net assets	<u><u>3,990,240</u></u>	<u><u>3,716,410</u></u>
Total liabilities and net assets	<u><u>4,089,640</u></u>	<u><u>3,854,113</u></u>

Housing Authority of Rayne, LA
Management's Discussion and Analysis (MD&A)
September 30, 2009

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$273,830, or by 7%, from those of fiscal year 2008, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
Fiscal Year Ended September 30, 2009**

	2009	2008
OPERATING REVENUES		
Dwelling rental	\$ 504,070	\$ 493,111
Governmental operating grants	441,932	397,734
Other	130,124	114,489
Total Operating Revenues	1,076,126	1,005,334
OPERATING EXPENSES		
Administration	241,767	221,996
Tenant services	375	1,226
Utilities	140,973	169,923
Ordinary maintenance & operations	443,306	404,806
General expenses	158,454	168,612
Depreciation	321,007	307,287
Total Operating Expenses	1,305,882	1,273,850
Income (loss) from Operations	(229,756)	(268,516)
Non Operating Revenues (Expenses)		
Interest earnings	21,539	26,870
Loss on disposal of assets	(8,328)	0
Insurance proceeds	42,956	0
Total Non-Operating Revenues (Expenses)	56,167	26,870
Income (loss) before contribution	(173,589)	(241,646)
Capital Contribution	447,419	183,819
Change in net assets	273,830	(57,827)
Total net assets - beginning	3,716,410	3,774,237
Total net assets - ending	\$ 3,990,240	\$ 3,716,410

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, non-operating revenues, and capital grants increased \$372,017, or by 30%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal Capital Funds from HUD increased by \$263,600 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2008 through 2009, and submitted a new grant during fiscal year 2010.
- Total other non-operating revenue increased by \$15,635 from that of the prior fiscal year. Insurance proceeds of \$42,956 were received in the current year.
- Federal revenues from HUD for operations increased by \$44,198, or by 12% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Total tenant revenue increased by \$10,959, or by 2% from that of the prior fiscal year, because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Interest income decreased by \$5,332, or by 20% from that of the prior fiscal year, because the Authority spent available cash mostly on capital assets instead of temporary investments.

Compared with the prior fiscal year, total operating expenses increased \$32,032, or by 3%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Maintenance and repairs increased by \$38,500, or by 10% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$41,922, or by 21%, and related employee benefit contributions increased by \$5,095, or by 5%. Also, materials used decreased by \$7,083, or by 9%, whereas contract labor costs increased by \$1,774, or by 8%.
- Utilities Expense decreased by \$28,950, or by 17% from that of the prior fiscal year, because electricity cost decreased by \$32,550. But other utilities expense (such as garbage, sewage, and waste removal) decreased by \$20,601.
- Administrative Expenses increased by \$19,771, or by 9% from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries increased by \$9,479, but related employee benefit contributions decreased by \$2,790; therefore, total staff salaries and benefit costs increased by 4%. Finally, staff travel reimbursements increased by \$30,748, and sundry expenses decreased by \$22,889; therefore, other staff administrative expense increased by 16%.
- Depreciation expense increased by \$13,720 from that of the prior fiscal year, because there was an increase in capital assets by \$513,881.
- General Expenses decreased by \$10,158, or by 6% from that of the prior fiscal year, primarily because other general expenses increased by \$7,899. Also, insurance premiums increased by \$4,526, since property and casualty insurance premiums increased, and payments in lieu of taxes (PILOT) increased by \$4,113. PILOT is calculated as a percentage of rent (which increased by 2%) minus utilities (which decreased 17%), and therefore changed proportionately to the changes in each of these. On the other hand, uncollectible rents from vacated units decreased by \$10,941.
- Tenant services, totaling \$375, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2009, the Housing Authority had a total cost of \$10,266,243 invested in a broad range of assets and construction in progress from projects funded in 2008 through 2009, listed below. This amount, not including depreciation, represents increases of \$513,881 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Capital Assets, Net of Accumulated Depreciation As of September 30, 2009

	<u>2009</u>	<u>2008</u>
Land	\$ 296,928	\$ 296,928
Construction in progress	184,945	40,479
Buildings	2,577,858	2,545,056
Leasehold improvements	159,619	165,509
Furniture and equipment	<u>91,220</u>	<u>67,626</u>
Total	<u><u>3,310,570</u></u>	<u><u>3,115,598</u></u>

As of the end of the 2009 fiscal year, the Authority is still in the process of completing HUD grants of \$685,457 obtained during 2008 through 2009 fiscal years. A total remainder of \$525,329 will be received and \$497,305 will be spent for completing these projects during fiscal year 2010.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2010 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Chris Simpson, at Public Housing Authority of Rayne, Louisiana; P.O. Box 164; Rayne, LA 70578.

HOUSING AUTHORITY OF RAYNE
BALANCE SHEET
SEPTEMBER 30, 2009

ASSETS

Current assets

Cash and cash equivalents	\$ 123,000
Investments	559,681
Accounts receivable net	28,782
Interest receivable	22
Prepaid items and other assets	45,240
Inventory	12,495
Restricted assets – cash and cash equivalents	9,850

Total Current Assets	779,070
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Capital Assets, net

Land and other non-depreciated assets	481,872
Other capital assets - net of depreciation	2,828,698

Total Capital Assets, net	3,310,570
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Total Assets	\$ 4,089,640
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LIABILITIES

Current Liabilities

Accounts payable	\$ 7,813
Deferred revenue	1,103
Compensated absences payable	11,647
Accrued PILOT	43,994
Deposits due others	9,850

Total Current Liabilities	74,407
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Noncurrent Liabilities

Compensated absences payable	24,993
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Total Liabilities	99,400
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NET ASSETS

Invested in capital assets, net of related debt	3,310,570
Unrestricted	679,670

Net Assets	3,990,240
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Total Liabilities and Net Assets	\$ 4,089,640
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF RAYNE
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED SEPTEMBER 30, 2009

OPERATING REVENUES	
Dwelling rental	\$ 504,070
Governmental operating grants	441,932
Other	130,124
Total Operating Revenues	<u>1,076,126</u>
OPERATING EXPENSES	
Administration	241,767
Tenant services	375
Utilities	140,973
Ordinary maintenance & operations	443,306
General expenses	158,454
Depreciation	321,007
Total Operating Expenses	<u>1,305,882</u>
Income (loss) from Operations	<u>(229,756)</u>
Non Operating Revenues (Expenses)	
Interest earnings	21,539
Loss on disposal of assets	(8,328)
Insurance proceeds	42,956
Total Non-Operating Revenues (Expenses)	<u>56,167</u>
Income (loss) before contribution	<u>(173,589)</u>
Capital Contribution	447,419
Change in net assets	<u>273,830</u>
Total net assets - beginning	<u>3,716,410</u>
Total net assets - ending	<u><u>\$ 3,990,240</u></u>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF RAYNE
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2009

CASH FLOWS FROM	
OPERATING ACTIVITIES	
Rental receipts	\$ 504,900
Other receipts	136,130
Federal grants	457,595
Payments to vendors	(516,108)
Payments to employees – net	(528,310)
	<hr/>
Net cash provided (used) by operating activities	54,207
	<hr/>
CASH FLOWS FROM CAPITAL AND	
RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(524,306)
Federal Capital Grants	447,419
Insurance proceeds	42,957
	<hr/>
Net cash provided (used) by capital and related financing activities	(33,930)
	<hr/>
CASH FLOWS FROM INVESTING	
ACTIVITIES	
Interest income	25,785
Purchase of investments	(24,733)
	<hr/>
Net cash provided (used) by investing activities	1,052
	<hr/>
NET INCREASE (DECREASE) IN	
CASH AND CASH EQUIVALENTS	21,329
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	111,521
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CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 132,850
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Continued

HOUSING AUTHORITY OF RAYNE
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2009

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$ (229,756)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	321,007
Provision of uncollectible accounts	(4,351)
Change in assets and liabilities:	
Receivables	5,191
Inventories	(4,324)
Prepaid items	(6,609)
Account payables	(26,435)
Accrued expenses	(466)
Deposits due others	(50)
Net cash provided (used) by operations	<u><u>\$ 54,207</u></u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2009

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HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of Rayne have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Rayne, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 590	200
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Rayne since the City of Rayne appoints a voting majority of the Housing Authority's governing board. The City of Rayne is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Rayne. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Rayne.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

G. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

H. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$300. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

I. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

J. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2009. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

At September 30, 2009, the Housing Authority's carrying amount of deposits was \$692,481 and the bank balance was \$730,958, which includes \$559,681 in certificates of deposits classified as investments. Of the bank balance, \$352,305 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2009, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 758
Federal sources:	
Grants	28,024
Total	<u>\$ 28,782</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$653.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 296,928	\$ 0	\$ 0	\$ 296,928
Construction in progress	40,480	144,464	0	184,944
Depreciable assets:				
Exhaustible capital assets				
Buildings	9,246,241	322,753	34,352	9,534,642
Furniture and equipment	382,466	57,088	4,882	434,672
Total	9,966,115	524,305	39,234	10,451,186
Less: accumulated depreciation				
Buildings	6,535,030	287,921	26,026	6,796,925
Furniture and equipment	315,487	33,086	4,882	343,691
Total	6,850,517	321,007	30,908	7,140,616
Capital assets, net	\$ 3,115,598	\$ 203,298	\$ 8,326	\$ 3,310,570

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2009 are as follows:

Vendors	\$ 7,655
Payroll taxes & Retirement withheld	158
Total	\$ 7,813

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 6 – COMPENSATED ABSENCES At September 30, 2009, employees of the Housing Authority have accumulated and vested \$36,640 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended September 30, 2009.

	Compensated Absences
Balance, beginning	\$ 35,390
Additions	18,436
Deductions	17,186
Balance, ending	<u>36,640</u>
Amounts due in one year	<u>\$ 11,647</u>

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan the first day of the month after completing one month of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 8.5% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$77,680 for the year ended September 30, 2009, of which \$28,739 was paid by the Housing Authority and \$48,941 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF RAYNE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments

On October 1, 2008, the Authority entered into Employment Agreements with the Executive Director and the Assistant Executive Director. The agreements are for five years. However, both contracts automatically renew and are extended for an additional five years, unless either party notifies the other in writing by at least 60 days prior to October 1, 2013, that the contract will not be renewed and extended.

The two contracts can be terminated only for non performance of the duties on the part of the Executive Director or the Assistant Director, or other good and valid cause which has a provable detrimental effect on the operation of the Authority. Due process is required to terminate, as specified in both contracts. In the event the Executive Director or Assistant Director is terminated, either is to receive a lump sum payment for the remaining time on the contract or any renewals or extensions. However, if the remaining time is less than 12 months, then the payment shall be equivalent to the sum of twelve months equal to the monthly pay being paid immediately prior to termination.

In addition, both the Executive Director and the Assistant Director are entitled to all earned annual leave at the time of separation, regardless of reason for the separation.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2009. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk. This includes coverage of property, general liability, public liability, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it's own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$892,559 to the Housing Authority, which represents approximately 58% of the Housing Authority's total revenue and capital contributions for the year.

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Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Housing Authority of Rayne
Rayne, Louisiana

We have audited the basic financial statements of the Housing Authority of Rayne, Louisiana, as of and for the year ended September 30, 2009, and have issued our report thereon dated January 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Rayne, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Rayne, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Rayne, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority of Rayne, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority of Rayne, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority of Rayne, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority of Rayne, Louisiana's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2010

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MIKE ESTES, CPA

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Housing Authority of Rayne
Rayne, Louisiana

Compliance

We have audited the compliance of the Housing Authority of Rayne, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. The Housing Authority of Rayne, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Rayne, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of Rayne, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Rayne, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of Rayne, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Rayne, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the Housing Authority of Rayne, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Rayne, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Rayne, Louisiana's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2010

HOUSING AUTHORITY OF RAYNE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2009

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
	<hr/>	<hr/>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 441,932
Public Housing Capital Fund	14.872	290,499
American Recovery and Reinvestment Act	14.884	160,128
		<hr/>
Total United States Department of Housing and Urban Development		\$ 892,559
		<hr/>
Total Expenditures of Federal Awards		\$ 892,559
		<hr/> <hr/>

HOUSING AUTHORITY OF RAYNE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2009

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Rayne, Louisiana (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority’s basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	<u>Federal Sources</u>
General	\$ <u>892,559</u>
Total	\$ <u>892,559</u>

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF RAYNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2009

Section I – Summary of the Auditor’s Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards* to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA# 14.872	Public Housing Capital Fund Program
CFDA# 14.884	American Recovery and Reinvestment Act
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was 300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF RAYNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2009

**Section II – Findings related to the financial statements which are required to be reported
in accordance with Governmental Auditing Standards generally accepted in
the United States of America:**

None

HOUSING AUTHORITY OF RAYNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2009

Section III -Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

None

HOUSING AUTHORITY OF RAYNE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2009

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Low Rent

08-01 – Lack of Adequate Control Check of Financial Statement

Condition

A significant audit adjustment was necessary that was not brought to our attention by management. Statement on Auditing Standards (SAS) #112 requires an audit finding in this circumstance.

Recommendation

The supervisory review procedure should be reviewed, and revised if necessary.

Current Status

This finding is not repeated in the current audit.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF RAYNE
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED SEPTEMBER 30, 2009

	2008 Capital Fund
Funds approved	\$ 302,954
Funds expended	302,954
Excess of funds approved	\$ 0
Funds advanced	\$ 302,954
Funds expended	302,954
Excess of funds advanced	\$ 0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated June 1, 2009 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

HOUSING AUTHORITY OF RAYNE
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2009

CASH BASIS

	2009 Capital Fund	2009 Capital Fund Recovery Grant
Funds approved	\$ 301,978	\$ 383,479
Funds expended	<u>28,024</u>	<u>160,128</u>
Excess of funds approved	<u>\$ 273,954</u>	<u>\$ 223,351</u>
Funds advanced	\$ 0	\$ 160,128
Funds expended	<u>28,024</u>	<u>160,128</u>
Excess (deficiency) of funds advanced	<u>\$ (28,024)</u>	<u>\$ 0</u>

See accountants' report

HOUSING AUTHORITY OF RAYNE
FINANCIAL DATA SCHEDULE

YEAR ENDED SEPTEMBER 30, 2009

THE NEXT TWO PAGE NUMBERS ARE RESERVED FOR THE
FINANCIAL DATA SCHEDULE